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## Westly Announces \$838 Million Windfall Will Help Budget Deficit

*Tax Amnesty Campaign Far Exceeds Expectations*

Sacramento, CA – State Controller and Franchise Tax Board Chair Steve Westly today announced that California's tax amnesty program has collected nearly 10 times the expected amount, bringing \$838 million to the state's coffers. The program was projected to generate \$90 million.

"The huge success of our amnesty program shows that government can think outside the box. We must collect the taxes already owed to California before we consider raising taxes or cutting services," Westly said. "Among all the bad budget news, this is a bright spot because this extra money may help spare a clinic or a senior center from the budget axe."

Westly supported legislation signed in 2003 (SB 614, Cedillo & Burton; AB 1601, Frommer) that added enforcement tools and stiffer penalties to target illegal tax shelters. The new law also created the Voluntary Compliance Initiative, a one-time chance for taxpayers who used abusive tax shelters to come forward and amend their state tax returns before increased penalties took effect. The program ended on April 15, 2004.

To date, 460 individual taxpayers have brought in \$589 million and 182 corporate taxpayers have brought in \$249 million. The FTB is still totaling Voluntary Compliance Initiative receipts, and will announce the final number in early May.

"In light of our budget deficit, this news couldn't have come at a better time," Westly added.

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